



MOULTON NIGUEL WATER

\$960,000

Moulton-Niguel Water District
Orange County, California
1968 Water Bonds, Series 2
For Improvement District No. 1
(General Obligations)

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

NOV 21 1977

UNIVERSITY OF CALIFORNIA

Bids to be received at or before 11:00 A.M. (PST) Tuesday, December 6, 1977,
in the Thirty Sixth Floor Conference Room of O'Melveny & Myers, 611 West
Sixth Street, Los Angeles, California 90017.

Moulton - Niguel water
district
water districts -- Calif --
orange co.
orange co. -- Econ. bonds
Bonds -- " 4

78 01318


INSTITUTE OF GOVERNMENT
STUDIES LIBRARY

SEP 06 2024

UNIVERSITY OF CALIFORNIA

CONTENTS

INTRODUCTION	1	Audited Financial Statements	11
THE BONDS	3	Balance Sheets	11
Authority for Issuance	3	Revenues, Expenditures and	
State Treasurer Approval	3	Unappropriated Fund Balance	11
Sale of the Bonds	3	Significant Accounting Policies	15
Description of the Bonds	3	Direct and Overlapping Bonded Debt	15
Redemption Provisions	4	THE DISTRICT	17
Registration	4	Organization and Operation	17
Legal Opinion	4	Improvement District No. 1	19
Tax Exempt Status	4	Climate	19
Legality for Investment	4	Population	21
Purpose	5	Limitations on Growth	21
State Approval of Expenditures	5	Coastal Zone	21
Disposition of Bond Proceeds	5	Residential Development	21
Security	5	Employment	22
Estimated Annual Bond Service	5	Industry	23
THE PROJECT		Government Facilities	23
Water Supply	7	Commerce and Banking	26
The Improvement Program	7	Transportation	26
Estimated Project Costs	8	Recreation and Tourism	27
FINANCIAL DATA	9	Utilities	28
Assessed Valuation	9	Educational Facilities	28
Largest Taxpayers	10	Community Facilities	29
Tax Rates	10	Tables	
Tax Levies and Delinquencies	10	Table 1: Estimated Annual Bond Service	6
Employee Retirement	11	Table 2: Estimated Project Costs	8
		Table 3: Balance Sheets	12
		Table 4: Revenues, Expenditures and Changes	
		in Unappropriated Fund Balances ..	14
		Table 5: Statement of Direct and Overlapping	
		Bonded Debt	16



Digitized by the Internet Archive
in 2024 with funding from
State of California and California State Library

<https://archive.org/details/C123309523>

MOULTON-NIGUEL WATER DISTRICT

BOARD OF DIRECTORS

Lawrence R. Lizotte, President

H. L. (Les) Remmers, Vice President

Bryan S. Hall

Don W. Smith

Forest Dickason

Richard S. Fiore

Dwight A. Williamson

Alexander Bowie
Secretary

Carl J. Kymla
General Manager

Thomas O. Martin
Treasurer

PROFESSIONAL SERVICES

Boyle Engineering Corp., *Consulting Engineers*
Newport Beach, California

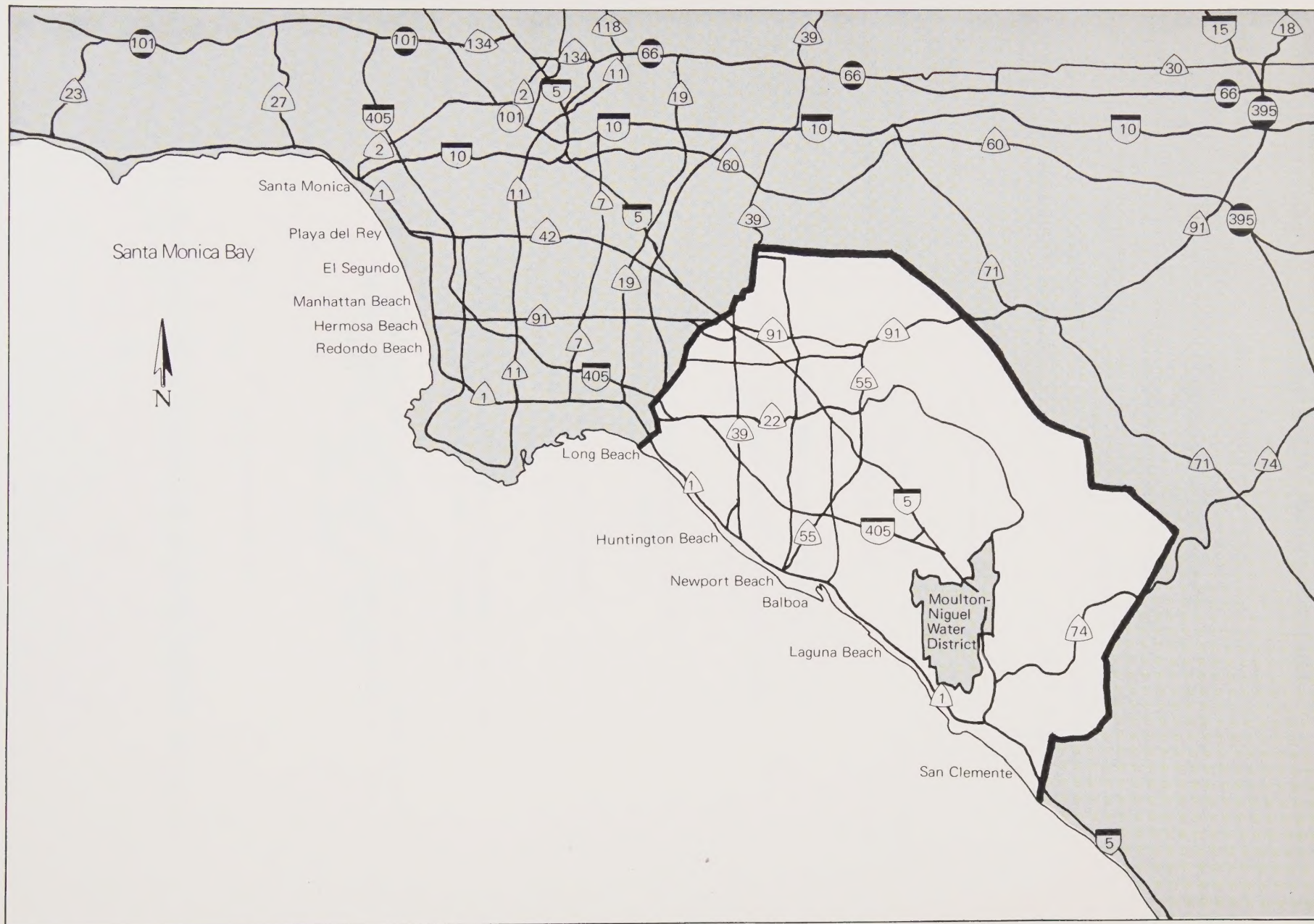
O'Melveny & Myers, *Bond Counsel*
Los Angeles, California

Alexander Bowie, *Attorney*
Newport Beach, California

Stone & Youngberg Municipal Financing Consultants
Los Angeles and San Francisco, California

Bank of America NT & SA, Los Angeles, and San Francisco, California
Continental Illinois National Bank, Chicago, Illinois
Citibank NA, New York, New York
Paying Agents

THE DATE OF THIS OFFICIAL STATEMENT IS NOVEMBER 17, 1977



Vicinity Map

INTRODUCTION

The Moulton-Niguel Water District was formed in November of 1960 under provisions of the California Water District Law, Division 13, of the Water Code of the State of California, commencing with Section 34000. The District was formed for the purpose of providing a water supply for the area within its boundaries. On June 1, 1961, the District sold \$6,700,000 of Waterworks Bonds to finance the acquisition of capacity rights in the East Orange County Feeder No. 2 of the Metropolitan Water District of Southern California and to pay its share of the costs of the Tri-Cities Transmission Main, which it owns jointly with the Irvine Ranch Water District, Orange County Waterworks District No. 4 and the Tri-Cities Municipal Water District. The provision of local water storage, transmission and distribution facilities was made the responsibility of individual improvement districts.

Improvement District No. 1 was formed in November of 1962. In February of 1963 \$1,750,000 of bonds for Improvement District No. 1 were sold to finance initial transmission and distribution, water storage and pumping facilities. In September of 1968 an additional \$2,300,000 of bonds for Improvement District No. 1 were sold to finance Phase II developments consisting of transmission and distribution lines and storage facilities.

The \$960,000 of bonds currently being offered for sale will be used to finance the first stage of a portion of the final phase of improvements identified in the District's revised plan of works. The second stage of the improvements will be constructed at such time as sewage flow limitations on the District are relaxed or terminated. This is expected to occur on or prior to 1981 or 1982.

The sewage flow limitations were imposed as a condition of Federal and State grants in aid of the Aliso Water Management Agency regional waste water treatment and disposal works in which the Moulton-Niguel Water District is a participant.

Improvement District No. 1 is located in southwestern Orange County, east of the City of Laguna Beach and north of the City of San Juan Capistrano. Interstate Highway 5 forms a portion of its eastern boundary and provides direct access to Santa Ana, the county seat, 19 miles to the northeast, and to Los Angeles, 51 miles to the northwest. The Crown Valley Parkway extends across the Improvement District from Interstate 5 to the Pacific Coast High-

way (State Route 1) which is located a short distance to the west of the Improvement District.

Most of the development within the Improvement District has taken place on land controlled by Avco Community Developers, Inc., or by Laguna Niguel Corporation which was acquired by Avco in 1970. The company is engaged in both the construction of residences and the sale of land to commercial and residential builders for development in accordance with the company's master plan.

The assessed valuation of Improvement District No. 1 has shown a steady increase since its formation, increasing from an estimated \$299,000 in 1962/63 to \$36,555,500 in 1977/78. These values include the assessed valuation of land only, the basis for taxation under the California Water District Law, and represent approximately 25 percent of full cash value. The 1977/78 assessed valuation of all property in the Improvement District is \$74,101,530, indicating a full cash value of \$295,280,000.

THE BONDS

Authority for Issuance

The \$960,000 principal amount of Moulton-Niguel Water District 1968 Water Bonds, Series 2, for Improvement District No. 1, are general obligations of the Improvement District being issued pursuant to a resolution adopted by the District Board of Directors on November 17, 1977, and under provisions of the California Water District Law (Division 13 of the Water Code of the State of California, commencing with Section 34000).

Pursuant to Section 53541 of the Government Code of the State of California, the bonds will be issued in place of an equal principal amount of authorized but unissued bonds which will be cancelled. The bonds represent a portion of the \$5,640,000 authorized but unissued balance of a combined authorization of \$9,700,000 consisting of \$6,500,000 of bonds approved at an election held on December 11, 1962 and \$3,200,000 of bonds authorized at an election held on July 23, 1968.

The District sold \$1,750,000 of Improvement District No. 1 1963 Water Bonds, Series A, on February 5, 1963, and \$2,310,000 of Improvement District No. 1 1968 Water Bonds, Series 1, on September 19, 1968.

State Treasurer Approval

The law requires that the sale of any issue of bonds by the District must first be approved by the State Treasurer based on the recommendation of the District Securities Advisory Commission. The State Treasurer has approved the sale of these bonds.

Sale of the Bonds

Sealed bids for the purchase of the bonds will be received and opened on Tuesday, December 6, 1977 at 11:00 a.m. (P.S.T) in the Thirty-sixth Floor Conference Room of O'Melveny & Myers, 611 West Sixth Street, Los Angeles, California 90017. It is expected that the bids will be referred to the Board of Directors for action at a meeting to be held later that day at the District office. Details of the terms of sale are contained in the official notice inviting bids adopted November 17, 1977.

Description of the Bonds

The bonds will be in the denomination of \$5,000, all dated January 1, 1978, and numbered 1 to 192. Bonds are to mature in consecutive numerical order on July 1 in each of the years and in the

amounts shown by the accompanying schedule of maturities.

SCHEDULE OF MATURITIES

Maturity Date July 1	Principal Maturing	Maturity Date July 1	Principal Maturing
1980-81	\$20,000	1995	\$55,000
1982-84	25,000	1996-97	60,000
1985-87	30,000	1998	65,000
1988-89	35,000	1999	70,000
1990-91	40,000	2000	75,000
1992-94	45,000	2001	85,000

Interest will be payable by coupon semiannually on January 1 and July 1, beginning July 1, 1978.

Principal and interest are payable at the office of the Treasurer of the District or at the offices of the paying agents of the District, the Bank of America NT & SA, Los Angeles and San Francisco, California, Continental Illinois National Bank, Chicago, Illinois and Citibank, NA, New York, New York.

Redemption Provisions

The resolution of issuance provides that bonds maturing on or before July 1, 1988, a principal amount of \$240,000, are not subject to call or redemption prior to their fixed maturity date. The bonds maturing on and after July 1, 1989, a principal amount of \$720,000, are subject to call and redemption as a whole or in part in inverse numerical order at the option of the District on any interest payment date on and after July 1, 1988, upon payment of the principal amount and interest to the date of redemption plus a premium equal to one quarter of one percent of the principal amount for each year or intervening fraction of a year remaining between the redemption date and the maturity date.

Registration

The bonds will be issued as coupon bonds which will be registrable either as to principal only or as to both principal and interest and to discharge from registration, all at the option of the holder, under terms of the resolution of issuance.

Legal Opinion

The opinion of O'Melveny & Myers, Los Angeles, California, Bond Counsel for the Moulton-Niguel Water District, attesting to the validity of the bonds will be supplied free of charge to the original purchasers of the bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

The statements of law and legal conclusions set forth under the heading "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to the review of the legal proceedings required for the authorization of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation. The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds not mentioned in this paragraph.

Tax Exempt Status

In the opinion of bond counsel, the interest on the bonds is exempt from present federal income taxes and from State of California personal income taxes under existing statutes, regulations, and court decisions.

Legality for Investment

It is expected that the bonds will be certified by the State Controller of the State of California, pursuant to the investigation by the State Treasurer, as legal investments in California for all trust funds and for the funds of all insurance companies, commercial banks, savings banks (subject to Section 1359 of the Financial Code of the State of California) trust companies, the State, school funds and any funds which may be invested in county, municipal or school district bonds, and as eligible security for the deposit of public moneys in banks in the State. However, notwithstanding such certification, in the opinion of Bond Counsel, the eligibility of the bonds at the time of their issuance for the investment of funds of commercial or savings banks, as such, is subject to the provisions of the Financial Code of the State of California. The bonds are believed by the District to be eligible for investment by commercial and savings banks under the provisions of the Financial Code.

Purpose

The proceeds from the sale of the bonds will be used to finance the expansion of the water system serving Improvement District No. 1 in accordance with the District's revised plan of works for the Improvement District.

The expansion was recommended by the District's engineering consultant in order to serve several residential developments to be constructed in the near future. However, it should be noted that there are certain restrictions on new residential construction within the Improvement District, as described on page 21 of this official statement.

State Approval of Expenditures

As previously stated, the State Treasurer, after making an investigation of the project and its financing, has approved the issuance and sale of the bonds. In addition, the District is required under the law to obtain the approval for the expenditure of bond proceeds for the purposes designated. Annually thereafter the District must submit a detailed report to the District Securities Division of the State Treasurer's office disclosing its financial transactions and other activities.

Disposition of Bond Proceeds

The resolution providing for the issuance of the \$960,000 of 1968 Water Bonds, Series 2, for Improvement District No. 1 requires that there be transferred to the Bond Fund for Improvement District No. 1, 1968 Water Bonds, an amount, including premium and accrued interest, if any, equal to two years' interest from the date of the Bonds.

The resolution also provides for the creation of a Reserve Fund and requires that \$36,000 of bond proceeds be placed in the Fund. Money in the Reserve Fund may be used only to pay bond principal and interest in the event other funds of the Improvement District are insufficient for the purpose (except that the money may be invested in securities maturing in 12 years or less). The resolution provides that if any money is withdrawn from the Reserve Fund it must be replaced from water revenues or from the next annual assessment on land in the Improvement District.

The balance of the proceeds are to be placed in the Construction Fund.

Security

Bond principal and interest are payable from annual ad valorem assessments which must be levied without limitation as to rate or amount on all assessable lands within the Improvement District, provided that the District may use funds derived from water service charges, acreage assessment charges and connection charges to meet bond service, if available for that purpose.

Estimated Annual Bond Service

Table 1 presents an estimate of the total annual bond service for the bonds, based on an estimated interest rate of 6¼ per cent together with the actual debt service requirements of the 1963 and 1968 water bonds for Improvement District No. 1.

Table 1

**MOULTON-NIGUEL WATER DISTRICT
IMPROVEMENT DISTRICT NO. 1
Estimated Annual Bond Service**

1968 Water Bonds, Series 2						
Year	Principal Outstanding	Interest Estimated @ 6¼ %	Principal Maturing July 1	Total Bond Service	Prior Bond Service	Combined Bond Service
1978.....	\$960,000	\$ 30,000.00 ^①	\$ —	\$ 30,000.00 ^①	\$ 347,425	\$ 377,425.00
1979.....	960,000	60,000.00	—	60,000.00	267,950	327,950.00
1980.....	960,000	60,000.00	20,000	80,000.00	273,125	353,125.00
1981.....	940,000	58,750.00	20,000	78,750.00	287,600	366,350.00
1982.....	920,000	57,500.00	25,000	82,500.00	291,780	374,280.00
1983.....	895,000	55,937.50	25,000	80,937.50	295,420	376,357.50
1984.....	870,000	54,375.00	25,000	79,375.00	303,445	382,820.00
1985.....	845,000	52,812.50	30,000	82,812.50	305,720	388,532.50
1986.....	815,000	50,937.50	30,000	80,937.50	302,445	383,382.50
1987.....	785,000	49,062.50	30,000	79,062.50	308,895	387,957.50
1988.....	755,000	47,187.50	35,000	82,187.50	304,595	386,782.50
1989.....	720,000	45,000.00	35,000 ^②	80,000.00	300,020	380,020.00
1990.....	685,000	42,812.50	40,000 ^②	82,812.50	310,170	392,982.50
1991.....	645,000	40,312.50	40,000 ^②	80,312.50	304,640	384,952.50
1992.....	605,000	37,812.50	45,000 ^②	82,812.50	308,840	391,652.50
1993.....	560,000	35,000.00	45,000 ^②	80,000.00	307,320	387,320.00
1994.....	515,000	32,187.50	45,000 ^②	77,187.50	315,260	392,447.50
1995.....	470,000	29,375.00	55,000 ^②	84,375.00	307,210	391,585.00
1996.....	415,000	25,937.50	60,000 ^②	85,937.50	193,890	279,827.50
1997.....	355,000	22,187.50	60,000 ^②	82,187.50	199,980	282,167.50
1998.....	295,000	18,437.50	65,000 ^②	83,437.50	200,260	283,697.50
1999.....	230,000	14,375.00	70,000 ^②	84,375.00	—	84,375.00
2000.....	160,000	10,000.00	75,000 ^②	85,000.00	—	85,000.00
2001.....	85,000	5,312.50	85,000 ^②	90,312.50	—	90,312.50
		<u>\$935,312.50</u>	<u>\$960,000</u>	<u>\$1,895,312.50</u>	<u>\$6,035,990</u>	<u>\$7,931,302.50</u>

① Six months.

② Callable on and after July 1, 1988 at par plus a premium of ¼ of 1% for each year from the redemption date to the maturity date.

THE PROJECT

The proceeds of the \$960,000 of 1968 Water Bonds, Series 2, will be used to finance the first stage of a water system expansion program. The program represents a portion of the final phase of improvements under the Engineering Plan and Report on Revised Plan of Works, for Irrigation, Distribution, Pumping and Storage Facilities, Improvement District No. 1 dated April 1968.

Water Supply

Improvement District No. 1 obtains its water supply from the Metropolitan Water District of Southern California (MWD) via the Tri-Cities Main. The Tri-Cities Main is owned jointly by the Irvine Ranch Water District, the Moulton-Niguel Water District, Orange County Waterworks District No. 4 and the Tri-Cities Municipal Water District.

The Tri-Cities Main extends from a connection with the MWD East Orange County Feeder No. 2 to the southern boundary of Improvement District No. 1. The East Orange County Feeder No. 2 is supplied with water from MWD's Robert B. Diemer Filtration Plant in Yorba Linda. A construction program completed by MWD in the summer of 1977 gave it the capability of delivering a blend of northern California water from the State Water Project and Colorado River Aqueduct water through the Diemer Plant. Formerly the plant was supplied only with Colorado River water. However, due to the state-wide drought MWD has voluntarily halted its use of State Project water on a temporary basis. Nevertheless the Colorado River supply is adequate to meet all present needs of MWD. Deliveries of State Project water are expected to be resumed in 1978.

The Moulton-Niguel Water District's capacity in the water transmission facilities is adequate for the foreseeable future. Planning is underway for additional capacity to meet the ultimate requirements of the District.

The Improvement Program

The improvement program to be initiated with the proceeds of the bonds currently being offered for sale will consist of the construction of 32,500 feet of pipelines ranging in size from 12 to 16 inches, a 500,000 gallon reservoir, a pumping station and the acquisition and grading of a site for a future 3,000,000 gallon reservoir.

The improvements were recommended by the District's engineering consultants, Boyle Engineering Corp., Newport Beach, California, to meet the requirements of twelve residential developments scheduled to be completed within Improvement District No. 1 between February 1978 and January 1980.

Estimated Project Costs

Table 2 shows a summary of the estimated costs of the Phase Four construction program, together with the amount to be funded from the proceeds of the \$960,000 of bonds currently being offered for sale. The cost estimates were prepared by Boyle Engineering Corp.

Table 2
MOULTON NIGUEL WATER DISTRICT
IMPROVEMENT DISTRICT NO. 1
Estimated Project Costs

3,800 ft. 16-inch pipelines	\$ 152,000
12,700 ft. 14-inch pipelines	445,000
16,000 ft. 12-inch pipelines	480,000
500,000 gallon reservoir	170,000
Site and grading for 3 million gallon reservoir	50,000
Pumping station	110,000
Subtotal	\$1,407,000
Allowance for cost escalation — Stage 2	127,000
Technical, legal, financing and administrative costs	278,000
Contingencies	167,000
Total project costs	\$1,979,000
Less: Stage 2	1,179,000
Stage 1 costs	\$ 800,000
Bond reserve	36,000
Funded interest	124,000
Bond Issue	\$ 960,000

FINANCIAL DATA

Assessed Valuation

The assessed valuation of the Moulton-Niguel Water District is established by the Orange County Assessor, except for utility property which is assessed by the State Board of Equalization. The State Board of Equalization reported that Orange County assessed valuations for the 1977/78 fiscal year averaged 25.1 percent of full cash value. Utility property is reported to be assessed at 25 percent of the average state-wide full cash value.

District taxes are levied against the assessed valuation of land only, before exemptions. Following is the assessed valuation of Improvement District No. 1 of the Moulton-Niguel Water District for the 1977/78 fiscal year.

MOULTON-NIGUEL WATER DISTRICT, IMPROVEMENT DISTRICT NO. 1 1977/78 Assessed Valuation (Land Only)

Local Secured Roll	\$36,512,360
Utility Roll	43,140
Total	<u>\$36,555,500</u>

The following summary shows the growth in assessed valuation (land only) of Improvement District No. 1 which has occurred over the past five years.

MOULTON-NIGUEL WATER DISTRICT, IMPROVEMENT DISTRICT NO. 1 Growth in Assessed Valuation (Land Only)

Fiscal Year	Assessed Valuation
1973/74	\$16,536,030
1974/75	18,416,380
1975/76	22,983,270
1976/77	28,250,880
1977/78	<u>36,555,500</u>

The following tabulations show the 1977/78 assessed valuation of all property (land, improvements and personal property) located within Improvement District No. 1. These valuations reflect two types of exemptions (\$1,750 of the assessed valuation of an owner occupied dwelling and 50 percent of the assessed valuation of business inventories) which do

not result in any loss of revenues to local taxing agencies since an amount equal to the taxes which would have been payable on such exempt valuations is reimbursed by the State.

MOULTON-NIGUEL WATER DISTRICT, IMPROVEMENT DISTRICT NO. 1

1977/78 Assessed Valuations of All Property

	Net Assessed Valuation	Home- owners and Business Inventory Exemptions	Assessed Valuation For Revenue Purposes
Secured	\$63,706,515	\$4,709,555	\$68,416,070
Utility	3,437,940	—	3,437,940
Unsecured	1,844,150	403,370	2,247,520
	\$68,988,605	\$5,112,925	\$74,101,530

Largest Taxpayers

Following is a list of the ten largest taxpayers in Improvement District No. 1 and the 1977/78 assessed valuation (land only) of their holdings. The ten largest taxpayers own, in aggregate, 26.1 percent of the total assessed valuation of land located in Improvement District No. 1.

MOULTON-NIGUEL WATER DISTRICT, IMPROVEMENT DISTRICT NO. 1

Ten Largest Taxpayers

Taxpayer's Name	1977/78 Assessed Valuation (Land Only)
Avco Community Developers, Inc.	\$4,850,700
Narland	1,355,830
Thomas Duffey	1,353,360
J. Warren Lennon	458,500
Mariners Savings & Loan Association ...	408,940
Presley Development Company, Inc.	325,580
Monarch Summit Number Two	289,190
Anaheim Savings & Loan Association ...	180,400
El Niguel Country Club	171,020
S. V. Hunsaker, Jr.	148,480
Total	\$9,542,000

Tax Rates

The following tabulation shows a five-year summary of the tax rates for the Moulton-Niguel Water District and Improvement District No. 1.

MOULTON-NIGUEL WATER DISTRICT, IMPROVEMENT DISTRICT NO. 1

Five-Year Summary of Tax Rates Per \$100 Assessed Valuation

Fiscal Year	Improvement District	Water District
1973/74	\$.9400	\$.9900
1974/75 .....	.9400	.8900
1975/76 .....	.9000	.7500
1976/77 .....	.8500	.7610
1977/78 .....	.7200	.5000

The largest tax rate area within Improvement District No. 1 is Tax Rate Area 82-040. The 1977/78 assessed valuation of all property within Tax Rate Area 82-040 (before deduction of reimburseable homeowners' and business inventory exemptions) is \$56,715,360 and the assessed valuation of land only is \$25,649,010. These assessed valuations represent 76.54 and 70.16 percent, respectively, of the total assessed valuations within Improvement District No. 1. The following table shows the 1977/78 tax rate for Tax Rate Area 82-040.

Tax Rate Area 82-040

1977/78 Tax Rates Per

\$100 Assessed Valuation

Orange County	\$ 1.8744
Capistrano Unified School District	4.1071
Saddleback Community College .....	.9443
Other Education Taxes .....	.1702
Metropolitan Water District of Southern California .....	.1200
County Flood Control District .....	.1888
Other Special Districts .....	.7779
Total — All Rolls	\$ 8.1827
Orange County Sanitation District No. 12 .....	.1565 ①
Street Light Maintenance District No. 1 .....	.0904 ①
Moulton-Niguel Water District .....	.5000 ②
Moulton-Niguel Water District I.D. No. 1 .....	.7200 ②
Moulton-Niguel Water District I.D. No. 1A .....	.9000 ②

① Tax on land and improvements

② Tax on land only

Tax Levies and Delinquencies

Following is a record of taxes levied by the Moulton-Niguel Water District for Improvement District No. 1 during the past five fiscal years, together with the amounts and percentages delinquent as of June 30 of each year.

MOULTON-NIGUEL WATER DISTRICT, IMPROVEMENT DISTRICT NO. 1

Tax Levies and Delinquencies

Fiscal Year	Tax Levy	Delinquencies as of June 30	
		Amount	Percent
1972/73	\$144,568	\$ 1,300	0.90%
1973/74	152,449	1,123	0.74
1974/75	149,126	19,634	13.17
1975/76	200,513	3,845	1.92
1976/77	238,414	2,825	1.18

The unusually high delinquency rate in the 1974/75 fiscal year was due largely to the failure of one large land owner to pay taxes in the amount of \$17,367. However, these payments were brought current during the first month of the following fiscal year.

Employee Retirement

The 34 full-time employees of the Moulton-Niguel Water District are miscellaneous members (i.e. non-safety) of the Public Employees Retirement System of the State of California. The District currently contributes an amount equal to 7.64 percent of employee wages and employees contribute 7 percent of their earnings to the System.

The Public Employees Retirement System of the State of California is funded by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules. The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Coopers & Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years. The actuarial analysis is the responsibility of Benefit Technology, Santa Clara, California.

Net book value of total investments of the System at June 30, 1977 were \$8,274,164,918. The unfunded obligation of the system was determined to be \$6,753,964,123 at June 30, 1976, the latest period for which data are available, by the independent auditors. This represents the present value of

the future contributions from the state and other members.

The amount of the respective unfunded liabilities will vary from time to time, depending upon the actuarial assumptions utilized, rates of return and salary scales. The present System policy is designed to satisfy the unfunded obligation by the year 2000.

Audited Financial Statements

Tables 3 and 4 which follow present summaries of financial data which have been abstracted from reports on examinations of financial statements by the District's independent auditors. The District's financial statements were audited by Hanson, Peterson Cowles & Sylvester, Certified Public Accountants, Tustin, California in 1973 through 1975, by Delmer L. Sylvester, Certified Public Accountant, Santa Ana, California, in 1976 and by Sylvester & Kasten, Certified Public Accountants, Santa Ana, California, in 1977. The reports state that the examinations were made in accordance with generally accepted auditing standards, and contain opinions that the financial statements present fairly the financial position of the various funds of the District and the results of operations for each of the five fiscal years ended June 30, 1977. The reports contain certain notes to financial statements in addition to those described below under the subheading Significant Accounting Policies, which notes constitute an integral part of the certified financial statements. Copies of these reports are on file with the District and are available on request from the District General Manager.

Balance Sheets

Table 3 shows the assets, liabilities and fund balances of the various funds maintained by the District for Improvement District No. 1 as shown in annual financial statements for the fiscal years ended June 30, 1976 and 1977.

Revenues, Expenditures and Unappropriated Fund Balances

Table 4 summarizes the revenues, expenditures and changes in the unappropriated fund balance maintained by the District for Improvement District No. 1, as shown in annual financial statements for the five fiscal years ended June 30, 1977.

Connection fees were reported as operating income in fiscal year 1973/74 and as non-operating income

Table 3

**MOULTON-NIGUEL WATER DISTRICT,
IMPROVEMENT DISTRICT NO. 1**
Balance Sheets

	June 30, 1976	June 30, 1977
ASSETS		
UTILITY PLANT, AT COST	\$4,927,557	\$5,105,197
Less accumulated depreciation	648,084	756,001
Total Utility Plant	<u>\$4,279,473</u>	<u>\$4,349,196</u>
RESTRICTED ASSETS		
Cash	\$ 438	\$ 1,380
Temporary investments, at cost	547,330	540,105
Interfund accounts receivable	951	1,851
Taxes receivable	1,620	125
Reserve for delinquent taxes	(293)	(61)
Accrued interest receivable	5,714	3,215
Total Restricted Assets	<u>\$ 555,760</u>	<u>\$ 546,615</u>
CURRENT ASSETS		
Cash	\$ 53,180	\$ 135,069
Temporary investments, at cost	200,082	350,300
Interdistrict accounts receivable	29,698	3,201
Interfund accounts receivable	2,316	14,251
Water charges receivable	80,625	59,015
Taxes and acreage assessments receivable	19,653	5,621
Reserve for delinquent taxes	(3,553)	(2,762)
Accrued interest receivable	1,687	3,173
Other accounts receivable	3,163	3,137
Meter inventory, at cost	5,612	6,854
Prepaid expenses	2,162	3,546
Total Current Assets	<u>\$ 394,625</u>	<u>\$ 581,405</u>
OTHER ASSETS		
Unamortized bond discount and issuance costs	\$ 24,908	\$ 23,181
TOTAL ASSETS	<u><u>\$5,254,766</u></u>	<u><u>\$5,500,397</u></u>

	June 30, 1976	June 30, 1977
LIABILITIES, RESERVES AND FUND BALANCES		
CURRENT LIABILITIES		
Liabilities To Be Paid From Restricted Assets		
Accounts payable, trade	\$	\$ 22,059
Interfund accounts payable	3,267	16,102
Other liabilities		179
Other Current Liabilities		
Accounts payable, trade	30,328	54,843
Construction and other deposits	11,649	34,797
Interdistrict accounts payable		9,649
Accrued salaries payable	2,423	2,904
Total Current Liabilities	<u>\$ 47,667</u>	<u>\$ 140,533</u>
LONG-TERM LIABILITIES		
Bonds payable	\$3,695,000	\$3,620,000
Total Liabilities	<u>\$3,742,667</u>	<u>\$3,760,533</u>
RESERVES AND FUND BALANCES		
Bond reserve fund	\$ 220,030	\$ 220,030
Bond construction fund	330,250	279,887
Office building capital reserve fund	2,213	4,582
Data processing capital reserve fund		3,776
Planning and construction reserves	219,090	351,831
Investment in utility plant, contributed	1,375,648	1,194,050
Unappropriated surplus	(635,132)	(314,292)
Total Reserves and Fund Balances	<u>\$1,512,099</u>	<u>\$1,739,864</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	<u><u>\$5,254,766</u></u>	<u><u>\$5,500,397</u></u>

Table 4

MOULTON-NIGUEL WATER DISTRICT, IMPROVEMENT DISTRICT NO. 1
Revenues, Expenses and Changes in Unappropriated Fund Balance

Fiscal Year Ended June 30	1972/73	1973/74	1974/75	1975/76	1976/77
BEGINNING FUND BALANCE ^①	(\$718,213)	(\$631,299)	(\$556,663)	(\$547,797)	(\$635,132)
OPERATING INCOME					
Water sales	\$215,202	\$287,934	\$331,074	\$383,253	\$453,811
Meter sales	23,296	41,690	18,196	16,174	38,737
Other	— ^②	2,620	2,530	903	765
Total Operating Income	\$238,498	\$332,244	\$351,800	\$400,330	\$493,313
OPERATING EXPENSES					
Water purchases	\$140,923	\$174,823	\$153,461	\$177,976	\$191,858
Meter purchases	— ^③	26,784	13,010	12,292	31,600
Other expenses	— ^③	33,342	48,109	69,955	68,777
Pumping expenses	22,646	48,058	47,561	69,202	55,696
Water transmission and distribution	19,574	21,490	23,645	25,903	31,066
Customer accounts	682	353	559	395	2,097
General and administrative expenses	36,549	50,986	49,423	62,822	72,772
Total Operating Expenses Before Depreciation	\$220,374	\$355,836	\$335,768	\$418,545	\$453,866
Net Operating Income (Loss) Before Depreciation	\$ 18,124	(\$ 23,592)	\$ 16,032	(\$ 18,215)	\$ 39,447
Depreciation	83,555	93,128	99,619	103,302	70,694
Net Operating Income (Loss)	(\$ 65,431)	(\$116,720)	(\$ 83,587)	(\$121,517)	(\$ 31,247)
NON-OPERATING INCOME					
Interest earned on investments	\$ 78,225	\$ 94,677	\$ 59,821	\$ 46,825	\$ 50,883
Property taxes	145,721	153,973	150,211	220,259	245,871
Connection fees	—	30,045	11,598	19,067	100,681
Contributions in aid of construction	132,225	146,767	55,588	67,975	—
Prior years adjustments and other	—	—	3,596	—	13,281
Total Non-Operating Income	\$356,171	\$425,462	\$280,814	\$354,126	\$410,716
NON-OPERATING EXPENSES					
Interest on long-term debt	\$202,300	\$200,400	\$197,800	\$194,850	\$191,550
Election expense	—	2,760	—	—	—
Amortization of bond discount and issuance costs	1,762	1,762	1,754	1,742	1,726
Prior years adjustments and other	11,928	5,930	572	17,713	13,878
Total Non-Operating Expenses	\$215,990	\$210,852	\$200,126	\$214,305	\$207,154
Net Non-Operating Income	\$140,181	\$214,610	\$ 80,688	\$139,821	\$203,562
NET INCOME (LOSS)	\$ 74,750	\$ 97,890	(\$ 2,899)	\$ 18,304	\$172,315
OTHER CHANGES IN FUND BALANCE:					
Investment in Utility Plant, Contributed	(205,947)	(146,767)	(55,588)	(67,975)	—
Investment in Utility Plant, District	(162,110)	—	70,991	—	—
Increase (Decrease) in Reserve Funds	(33,097)	1,678	(3,638)	(36,158)	(151,747)
Other Transfers and Adjustments	413,318	121,835	—	(1,506)	63,222
Prior Year Adjustment in Investment in Utility Plant, Contributed	—	—	—	—	237,050
Total Increase (Decrease) in Fund Balance	\$ 86,914	\$ 74,636	\$ 8,866	(\$ 87,335)	\$320,840
ENDING FUND BALANCE	(\$631,299)	(\$556,663)	(\$547,797)	(\$635,132)	(\$314,292)

① Negative balance is due to nonfunding of depreciation as explained under "Significant Accounting Policies."

② Consolidated with income from meter sales.

③ Included in water purchases expense.

in subsequent fiscal years. For consistency of presentation, the summary of the 1973/74 income statement has been adjusted to reflect the policy maintained during subsequent years.

Depreciation has been separated from other operating expenses in the statements of income for 1975/76 and 1976/77 to reflect total operating expenses and net operating income (or loss) exclusive of such charges. It has been deducted in the determination of the overall net operating income (or loss). Income statements for 1972/73 through 1974/75 fiscal years, as summarized herein, have been adjusted to reflect this accounting policy on a consistent basis.

Although depreciation is an operating expense required by the Uniform System of Accounts for California water utilities, management feels that separation is desirable because of its non-cash nature.

Significant Accounting Policies

The annual financial statements state that the accounting principles of the District conform to generally accepted accounting principles applicable to governmental units and summarize the significant policies substantially as follows:

The financial statements reflect the requirements of the Uniform System of Accounting for water utility districts prescribed by the Controller of the State of California.

Formal fund accounting has not been used for bond construction, bond reserves and general obligation bond service. However, separation has been maintained in the general ledger for such activities. Interfund and transfer accounts have been used for this purpose. Interdistrict accounts are used to control transactions between the various improvement districts. Utility plant and bonded debt have been combined with other assets and liabilities of the improvement district.

The financial statements have been prepared from account balances maintained on the accrual basis of accounting.

A charge has been made to income for depreciation of utility plant and for amortization of bond discount and issuance costs. Depreciation has been computed on the straight-line method using estimated useful asset lives ranging from four to seventy-five

years. Depreciation has not been funded by the separation and restriction of assets equal to the total amount of accumulated depreciation at the year end for use in the replacement of utility plant at retirement. The bonds outstanding method was used to compute amortization of bond discount and issuance costs.

The direct charge off method is employed for adjustment of uncollectible accounts after approval by the board of directors.

Contributed utility plant was recorded as income prior to the 1976/77 fiscal year in accordance with principles of governmental accounting since such contributions were expected to be received annually over many years of development. Depreciation on contributed utility plant was charged to income as an operating expense. Since the District management believes that recording utility plant contributed as an income statement item presents a distortion, the method for treating this item was changed beginning with the financial statements for the 1976/77 fiscal year. During 1976/77 changes in utility plant contributed are reflected only on the balance sheet. The cumulative effect of this change is to reduce net income for all previous fiscal years by \$1,138,599 while income for fiscal 1976/77, as reported, was reduced by \$55,451.

Revenue from federal and state grants is included in income in the year received. This revenue is not a normal, recurring type and receipt depends upon requested project eligibility and approval of payment from available funds.

Direct and Overlapping Bonded Debt

Following the issuance of the bonds currently being offered for sale the direct debt of Improvement District No. 1 will total \$4,580,000, consisting of \$1,380,000 of 1963 Water Bonds, Series A; \$2,240,000 of 1968 Water Bonds, Series 1; and the \$960,000 of 1968 Water Bonds, Series 2. The overlapping debt will include \$4,365,000 of bonds of Improvement District No. 1A, which has roughly coterminous boundaries, consisting of \$1,265,000 of 1968 Sewer Bonds and \$3,100,00 of 1975 Waste Water Bonds.

Table 5 shows a statement of the direct and overlapping bonded debt of Improvement District No. 1.

Table 5

MOULTON-NIGUEL WATER DISTRICT

IMPROVEMENT DISTRICT NO. 1

Statement of Direct and Overlapping Bonded Debt

1977/78 assessed valuation	
Land only	\$ 36,555,500
All rolls	74,101,530
Estimated market value ^①	
Land only	\$145,639,000
All rolls	295,280,000
Estimated population	11,696 ^②

	Debt Applicable December 6, 1977 ^③	
	Percentage	Amount
Orange County	0.743	\$ 28,308
Orange County Flood Control District	0.743	154,581
Orange County Sanitation District No. 12	99.676	1,415,399
Capistrano Unified School District	12.305	4,294,568
Saddleback Valley Unified School District	0.035	9,098
San Joaquin School District	0.016-0.044	1,848
Tustin Union High School District	0.014-0.017	1,310
Saddleback Community College District	3.493	206,611
City of San Juan Capistrano	0.031	245
Metropolitan Water District of Southern California	0.147	785,123
Moulton-Niguel Water District	27.236	1,386,312 ^④
Moulton-Niguel Water District, Improvement District No. 1A	98.326	4,293,501
Moulton-Niguel Water District, Improvement District No. 1	100.000	4,580,000 ^⑤
Total		\$17,156,904

	Percentage Of		
	Assessed Valuation ^⑥	Estimated Market Value	Per Capita
Assessed Valuation			
Land only	— %	— %	\$3,125
All rolls	—	—	6,336
Direct debt	6.19	1.55	392
Direct and overlapping debt	23.15	5.81	1,467

① The State Board of Equalization reported that Orange County assessed valuations for the 1977/78 fiscal year averaged 25.1 percent of full cash value, except for utility property which is assessed by the State, reportedly at 25 percent of average state-wide full cash values.

② Based on active water system connections.

③ Excludes sales, if any, between November 17, 1977 and December 6, 1977, except for bonds currently being offered for sale. Also excludes \$186,233 share of obligations secured by leases to Orange County.

④ Includes warrants.

⑤ Includes bonds currently being offered for sale.

⑥ All rolls.

THE DISTRICT

The Moulton-Niguel Water District covers an area of 24,500 acres located in southwestern Orange County, approximately 16 miles southwest of Santa Ana, the county seat and 50 miles southwest of Los Angeles.

The District is made up of 16 improvement districts. Improvement Districts 1, 2, 3, 4, 4-1, 4-2, 4-3 and 5 are responsible for water service. Improvement Districts 1A, 2A, 3A, 4A, 4A-1, 4A-2, 4A-3 and 5A are responsible for sewerage service.

Organization and Operation

The Moulton-Niguel Water District was organized in November 1960 pursuant to the California Water District Law (Division 13 of the Water Code of the State of California, commencing with Section 34000). It is governed by a board of directors consisting of seven members, each being elected at large by qualified voters in the district. The board elects a president from its members and appoints a secretary. The treasurer is appointed by the board of directors. A general election for officers must be held every two years. The water district presently maintains a full-time staff of 34 employees, under the overall supervision of a general manager who is appointed by and responsible to the governing board. Mr. Carl J. Kymla, a native of Orange County and graduate of the University of Southern California, serves as General Manager of the Moulton-Niguel Water District. Mr. Kymla has also served as a member of the Board of Directors of the Metropolitan Water District of Southern California since 1973. Prior to joining the Moulton-Niguel Water District, he was associated with the Orange County government in an executive capacity and has had experience at various levels of local government.

A biographical sketch of each of the officers of the District follows.

Mr. Laurence R. Lizotte, President of the Board of Directors of the District, has been a resident of Laguna Niguel for twelve years. He attended Fullerton Junior College and Long Beach State College. Mr. Lizotte was awarded a Bachelor of Science degree in Civil Engineering. He serves as Vice President of a building corporation and is a licensed general contractor. Mr. Lizotte is a past member of the Orange County Home Builders Council and formerly Director of Planning and Engineering for Laguna-Niguel Corporation.

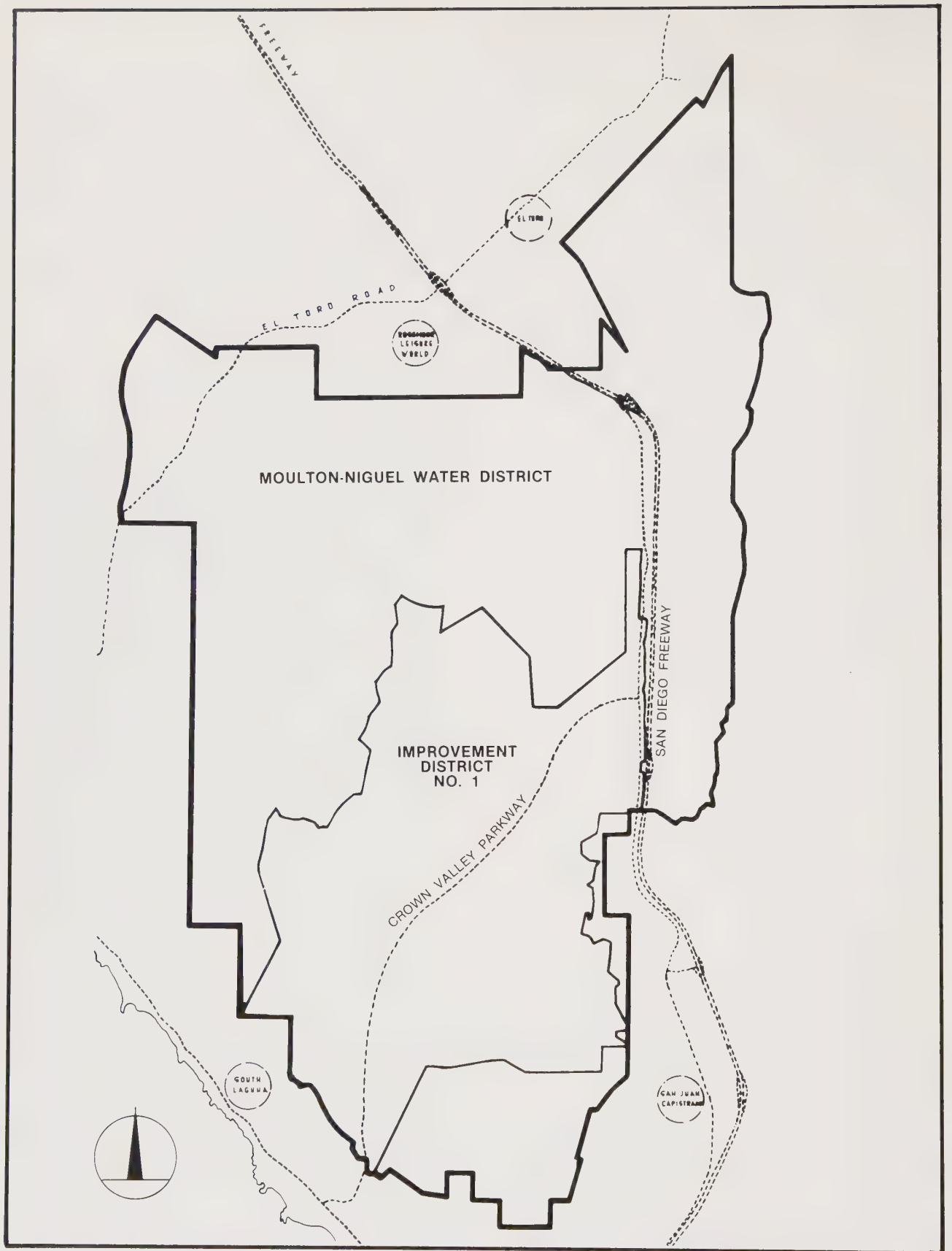


Figure 2. Moulton-Niguel Water District and Improvement District No. 1 Boundaries

Mr. H. L. "Les" Remmers, Vice-President and Director of the District, was engaged in agricultural activities in the Los Angeles and Orange County areas for 41 years until his retirement in 1962. Mr. Remmers is a resident-homeowner within Improvement Districts 1 and 1A. He has also served as a director of the Trabuco Water Company in San Juan and as a Director and President of the Coastal Municipal Water District.

Mr. Bryan S. Hall, a Director of the District, has been a resident of Orange County for twenty-two years. He is a graduate of the University of Southern California with a Bachelor of Arts degree in Finance. Mr. Hall is self-employed in real estate consulting and developing business in Orange and San Diego counties. He previously served as Assistant Director of Property Management for the University of Southern California.

Mr. Don W. Smith, a Director of the District, has been a resident of Laguna Niguel for ten years. He attended Santa Ana College and the University of California at Berkeley. Mr. Smith is a second generation Real Estate Appraiser and Consultant and was awarded M.A.I. designation by the American Institute of Real Estate Appraisers in 1952. He is active in civic and community affairs and is the current Chairman of the Board of Governors of the Pacific Island Village II Homeowner's Association.

Mr. Forest Dickason, a Director of the District, has been a resident of Mission Viejo for over eight years. He is a graduate of the University of California at Los Angeles with a Bachelor of Arts degree in Geography. Mr. Dickason is Planning Director for a Newport Beach architecture and planning firm. His firm specializes in environmentally-sensitive hillside residential projects, industrial site planning, commercial and office park planning. Mr. Dickason formerly served in the Orange County Planning Department for twenty years, 10 of them as Director. Other activities have included former member of the Board of Directors of the Orange County Girl Scout Council, and Past President of the California Chapter of the American Institute of Planners.

Mr. Richard S. Fiore, a Director of the District, has been a resident of Mission Viejo for six years. He graduated from Occidental College with a Bachelor of Arts degree and University of California Hastings College of Law with a Doctor of Jurisprudence degree.

Mr. Fiore is an attorney at law and is Chairman of the Planning Committee and Architectural Review Committee of Mission Viejo Municipal Advisory Council. He also is Chairman of the Advisory Board of Youth Services Programs for Saddleback Valley and former President and Director of the Lions Club.

Mr. Dwight A. Williamson, a Director of the District, has been a resident of Mission Viejo for three and one-half years. His educational background is in architecture and graphic arts. Mr. Williamson retired after thirty-seven years serving as Purchasing Manager for Ball Metal Decorating and Service Company, a Division of Ball Corporation. He is a member of Mission Viejo Kiwanis Club and the Geneva Presbyterian Church.

Improvement District No. 1

Improvement District No. 1 is located in the southerly portion of the District in the community of Laguna Niguel. The location of the Water District and Improvement District No. 1 are shown in Figure 2.

Improvement District No. 1 was formed in November of 1962 to provide major intra-district water facilities within an area of approximately 8,300 acres in the southern portion of the District. Sewerage facilities for the area were initially provided by Orange County Sanitation District No. 12. Subsequently the California Water District law was amended to authorize the provision of sanitary sewerage services and on April 14, 1964 Improvement District No. 1A was formed to provide sewerage service in the area then served by Orange County Sanitation District No. 12. On May 19, 1965 the Sanitation District was merged with Improvement District No. 1A.

The Improvement District consists of approximately 8,300 acres of rolling terrain. Major development has taken place throughout the Improvement District, however, some minor areas are still being utilized for grazing purposes. Development has been primarily residential, but neighborhood shopping facilities are located in the Improvement District and approximately 12 percent of the Improvement District is zoned for light industry.

Climate

The climate of the District is typical of the coastal



Examples of residential development within the Improvement District

plain of Southern California, being mild and relatively uniform. Median temperatures recorded at the nearby El Toro Marine Corps Air Station range from a high of 71.7 degrees in July to a low of 54.2 degrees in December. Rainfall is generally confined to the period between November and March. The proximity of the District to the ocean and the prevailing wind patterns combine to produce relatively smog-free conditions.

Population

The following tabulation shows the growth in the estimated population of the Moulton-Niguel Water District and Improvement District No. 1 over the past ten years.

MOULTON-NIGUEL WATER DISTRICT

Estimated Population^①

Year	Moulton-Niguel Water District	Improvement District No. 1
1967	8,422	2,753 ^②
1968	12,691	3,304
1969	16,997	3,996
1970	20,912	4,847
1971	27,602	6,242
1972	34,213	7,344
1973	37,843	8,310
1974	40,268	9,553
1975	42,087	10,156
1976	44,844	10,900

① Based on number of active water service connections.

② As of mid-year. All others as of year end.

The present population of the Improvement District is estimated to be 11,696 people.

Limitations on Growth

The Moulton-Niguel Water District has accepted a limitation on average dry weather sewage flows as a condition precedent to the receipt of State and Federal grant funds for the Aliso Water Management Agency (AWMA) regional waste water treatment and disposal facilities in which it is a participant. The limitation (2.73 million gallons per day) will be in effect for a period of five years unless:

1. It is demonstrated to the State Air Resources Board that adverse impacts on air quality related to flows in excess of the limitation are mitigated.

2. An Air Quality Maintenance Plan is developed and approved by the State.

3. Analyses prove that the impact on air quality under the limitation are greater than the impact associated with unrestricted flow. In this event the State Water Resources Board will re-evaluate mitigation requirements.

The District has projected that the sewage flow limitation will have the following impact upon residential development in Improvement District No. 1:

Existing residential services (September 1977)	3,147
Additional services in restricted AWMA area	2,439
Additional services in unrestricted area	121
Total anticipated five-year growth	2,560

The number of services in Improvement District No. 1 increased by 60 percent over the past five years. The grant condition permits a growth of 81 percent over the next five years.

Coastal Zone

The westernmost portion of Improvement District No. 1 is in the Coastal Zone and therefore any new building in that portion of the district is subject to regulation. However none of the works being financed by the bonds currently being offered for sale will serve any lands in the coastal zone.

Residential Development

Most of the development within the Improvement District has occurred on land controlled by Avco Community Developers, Inc., a subsidiary of Avco Corporation, or by the Laguna Niguel Corp. which was acquired by Avco Community Developers, Inc., in 1970. The company is engaged in both the construction of residences and the sale of land to commercial and residential builders for development in accordance with the company's master plan. Improvements made by the company and its predecessor include the Crown Valley Parkway, a four lane, divided arterial through the Improvement Dis-

trict from Interstate Highway 5 to the Pacific Coast Highway, and an 18-hole golf course.

The three most active developers in the improvement district at present are Avco Community Developers, Inc., Don Lee and S&S.

Avco currently has 1,050 homes under development. Don Lee is constructing 320. S&S is building 700. Six other developers have smaller projects underway.

Another large landholder is the North American Rockwell Corporation. Although a 1,000,000 square foot building within the Improvement District has been acquired by the Federal government, the company still retains title to more than 1,200 acres of land which it plans to develop to a multiplicity of uses, including residential, commercial, business, parks and recreational areas.

The tabulation below shows the growth in the number of water services within the Improvement District over the past ten years.

Employment

Residents of the District find employment throughout Orange County. Total employment in the County, as reported by the California Employment Development Department, is shown in the accompanying tabulation.

ORANGE COUNTY

Employment

	September 1976	September 1977
Aerospace	56,200	57,500
Other durable goods	64,300	67,000
Non-durable goods	42,300	44,000
Total manufacturing	162,800	168,500
Wholesale and retail trade	149,200	159,600
Services	115,900	121,600
Government	88,600	93,900
Construction	33,500	41,700
Finance, insurance and real estate	33,500	36,700
Transportation and utilities ..	18,900	20,000
Agriculture	10,800	10,400
Mining	1,900	2,100
Total	615,100	654,500

As shown by the following tabulation, unemployment in Orange County dropped to a seasonally adjusted rate of 4.2 percent in September of 1977 from 5.7 percent one year ago.

MOULTON-NIGUEL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1

Water Services

Year	Meter Size					Total Services
	¾ "	1 "	1½ "	2 "	3-16 "	
1968	879	38	46	15	10	988
1969	1,014	48	50	21	10	1,143
1970	1,205	48	70	34	11	1,368
1971	1,542	49	71	42	54	1,758
1972	1,841	53	92	54	24	2,064
1973	2,074	63	99	75	24	2,335
1974	2,430	87	115	128	24	2,784
1975	2,597	88	116	130	25	2,956
1976	2,812	91	117	139	26	3,185
1977①	3,053	91	119	167	31	3,461

① As of October 30. All others as of year end.

ORANGE COUNTY

Work Force

	September 1976	September 1977
Total civilian employment	781,800	829,100
Total unemployment	45,600	35,200
Total civilian work force . .	827,400	864,300
Adjusted unemployment rate . .	5.7%	4.2%

Industry

The Laguna Niguel Industrial Park is located in the Improvement District. Occupants at the park are engaged primarily in commercial and light industrial enterprises.

The table on page 25 lists the major manufacturing industries in Orange County, as reported by the Orange County Chamber of Commerce in 1976.

The Irvine Industrial Complex, covering more than 6,000 acres located north of the District, is one of the largest planned industrial developments

in the nation. Already more than 800 companies have located manufacturing and other facilities employing approximately 40,000 people within the complex including 4,000 employed by Fluor Corp. at its new high-rise building.

The Irvine Company has announced plans for the Irvine Industrial Complex-East to be located about four miles north of the District. It will cover approximately 1,500 acres, including more than 1,380 acres to be devoted to industry and 120 acres for commercial facilities. The commercial facilities will be designed, in part, to serve people employed within the complex.

Government Facilities

The South Orange County Civic Center is located within the Improvement District. Facilities at the Civic Center include Municipal Courts, a Sheriff's sub-station and a fire station. A branch of the County Library is proposed to be located at Civic Center.

The General Services Administration of the Federal Government recently acquired a seven-story, \$24,000,000 plant built by the North American Rockwell Corporation within the Improvement Dis-

The South Orange County Civic Center





The Moulton-Niguel Water District Office
The Federal Building



ORANGE COUNTY**Industrial Firms With 500 or More Employees**

Firm	Location	Principal Product	Employees
Rockwell International, Autonetics, Div.	Anaheim	Electronic systems	9,000
Hughes Aircraft Co., GSG	Fullerton	Radar systems	5,217
McDonnell-Douglas Astronautics	Huntington Beach	Space systems	5,000
Beckman Instruments, Inc.	Fullerton	Instrumentation	3,400
Northrop Corp.	Anaheim, Carson	Aerospace electronics	2,865
Aeronutronic Ford Corp.	Newport Beach	Aerospace	2,000
ITT Cannon Electric	Santa Ana	Electrical connectors	1,800
Collins Radio Corp.	Newport Beach	Communication systems	1,675
Hunt-Wesson Foods	Fullerton	Food products	1,625
Hughes, Micro Electronics Div.	Newport Beach	Micro electronics	1,600
McGaw Laboratories	Irvine	Intravenous sets	1,600
Smith Tool	Irvine	Oil drilling tools	1,600
California Computer Products, Inc.	Anaheim	Disk drives	1,333
Interstate Electronics Corp.	Anaheim	Missile instrumentation	1,300
Executive Industries	Anaheim	Motor homes	1,200
Aerojet General Corp.	Fullerton	Nuclear reactors	1,110
Parker Hannifin Co.	Irvine	Missile components	1,100
Bertea Corporation	Irvine	Hydraulic valves	1,080
Emhart Corp., Kwikset Div.	Anaheim	Hardware	1,050
Kirkhill Rubber Co.	Brea	Rubber products	1,000
Rockwell International, Space Div.	Seal Beach	Aerospace	1,000
AMF Voit Inc.	Santa Ana	Sporting goods	950
Royal Industries	Santa Ana	Nuclear reactors	906
Microdata Corp.	Irvine	Mini-computers	850
Altec, Div. of Altec Corp.	Anaheim	Electronic equipment	800
General Automation, Inc.	Anaheim	Mini-computers	800
Standard Pressed Steel Co.	Santa Ana	Precision fasteners	800
Burroughs Corp.	Mission Viejo	Computer systems	745
MSI Data Corp.	Costa Mesa	Field entry equipment	740
Esterline Electronics Corp.	Costa Mesa	Electronics	700
Freedom Newspapers Inc.	Santa Ana	Publishers	700
Kimberly-Clark Corp.	Fullerton	Paper products	700
Varian Data Machines	Irvine	Mini-computers	700
California Computer Products Inc.	Anaheim	Data processing equipment	688
CBS Musical Instruments	Fullerton	Musical instruments	675
Townsend Co., Cherry Rivet Div.	Santa Ana	Fasteners	662
Edwards Laboratories	Santa Ana	Medical supplies	650
Arrowhead Products Co.	Los Alamitos	Aerospace	625
Allergan Pharmaceuticals Corp.	Irvine	Ophthalmic drugs	600
Swedlow, Inc.	Garden Grove	Acrylic sheets	575
Electronic Engineering of California	Santa Ana	Electronics	565
Computer Automation Inc.	Irvine	Computers	550
Times Mirror Co.	Costa Mesa	Publisher	550
Union Oil Co. of California	Brea	Petroleum products	545
Bentley Laboratories Inc.	Santa Ana	Medical products	519
Airco Cryogenics	Irvine	Freezers	500
Astech	Santa Ana	Sheet metal fabric	500
General Motors, Delco Div.	Anaheim	Batteries	500
Steelcase Inc.	Tustin	Office furniture	500
Travenol, Hyland Div.	Costa Mesa	Diagnostic products	500
Western Digital Corp.	Newport Beach	Micro electronics	500

trict. The 1,000,000 square feet of floor space is to be used for offices and bulk storage of government records.

The El Toro Marine Corps Air Station is located 3½ miles north of the Improvement District.

Commerce and Banking

Neighborhood commercial facilities and professional offices are located on Crown Valley Parkway within the Improvement District.

Edward J. DeBartola Corp. has commenced construction of a major regional shopping center in the neighboring Improvement District No. 3. It will contain a 150,000 square foot May Co. department store, a 131,000 square foot Montgomery Ward and an 83,000 square foot Robinson's, plus 481,000 square feet of specialty shops.

Three miles north of Improvement District No. 1, along Interstate 5, is the Laguna Hills Center, which includes the Laguna Hills Mall, a regional shopping center. The mall presently contains four

department stores: The Broadway; Buffums, part of a ten-store chain based in Long Beach; J. C. Penney and Sears; plus 90 shops. The portion of the center adjacent to the mall includes restaurants, financial institutions, offices and neighborhood shopping facilities.

The Bank of America NT&SA, Security Pacific Bank and the Federal Savings and Loan Assn. have branches within the Improvement District.

Transportation

The Improvement District is bordered on the east by Interstate 5, the main north-south route through California, which extends from the Mexican border south of San Diego to the Canadian border north of Seattle. Access to the freeway is provided by Crown Valley Parkway, Oso Parkway and La Paz Road. The eastern portion of the Improvement District is traversed by the Los Angeles-San Diego line of the Atchison, Topeka and Santa Fe Railway, which is part of the Amtrak system. Rail passenger service is available in Santa Ana and San Clemente.

Shopping center located on Crown Valley Parkway





A portion of the Laguna-Niguel Regional Park

Bus service to adjacent communities is provided by the Orange County Rapid Transit District. Greyhound provides overland service to Los Angeles and San Diego from the nearby communities of Laguna Hills and San Clemente.

The Orange County Airport located 20 miles northwest of the District, is served by Air California, Golden West Airlines and Hughes Airwest. Extensive general aviation facilities are also available.

Recreation and Tourism

Recreational facilities within Improvement District No. 1 include an 18-hole golf course, a private country club and tennis club, three private recreation centers and the 160-acre Laguna-Niguel Regional Park. It includes a 45-acre lake stocked with fish, four tennis courts, a riding trail and picnic and barbecue facilities.

Two other regional parks are nearby. O'Neill Park has 650 overnight camping facilities, a baseball

diamond, picnic facilities and a riding stable. Ronald W. Caspers Memorial Park is the largest in the area, covering 5,500 acres, open to camping, picnicking and hikers.

Another major recreational facility developed by the County is the small craft harbor at Dana Point, southwest of the District. It currently has approximately 3,500 slips for permanent berthing of small craft, plus launching facilities for trailered boats. Other facilities include numerous specialty shops, restaurants, a motel and boating maintenance operations.

There are five neighborhood parks and a 26-acre wilderness area within the Mission Viejo development which is located in Improvement District 3. The Mission Viejo Company plans to create 21 additional neighborhood parks and two community parks by 1990. There are also three recreation centers which are private facilities.

Lion Country Safari is a private recreational facility covering 500 acres north of the District. It con-

tains a variety of African animals and birds which visitors may observe at close hand during a one to one-and-one-half hour drive through the grounds.

Nearby recreational facilities include the world-famous Disneyland in Anaheim, Knott's Berry Farm in Buena Park, and Mission San Juan Capistrano. The Pacific Ocean beaches, Palm Springs desert resorts, and nearby mountains offer a wide range of recreational activities for area residents as well as travelers from out-of-state.

Utilities

Water and sewer services are provided by the Moulton-Niguel Water District. Pacific Telephone Co., Southern California Gas Co., Southern California Edison Co. and San Diego Gas & Electric Co. provide other utilities, all of which are underground.

Educational Facilities

Most of the Improvement District is located in the Capistrano Unified School District.

There are two elementary schools and a junior high school in the Improvement District.

Saddleback Valley Community College, a two-year institution, is located in the adjacent Improvement District 3. The college was opened in 1968 on a temporary site. The present, permanent campus opened in 1969 utilizing relocatable buildings. The college opened its first permanent building, a library-classroom complex in 1973 and during the next year completed a new science-mathematics building. A gym-physical education complex was completed in 1976 and a fine arts building was added in 1977.

The University of California, Irvine, was opened in 1965 on a 1,500-acre campus a short distance north of the District. It is the principal higher education facility in Orange County, offering under-

A portion of the Laguna-Niguel Golf Course showing the clubhouse and, at lower right, homes lining the golf course





The Saddleback Community Hospital

graduate and graduate programs in a variety of fields including studies toward a Ph.D. Enrollment has grown to over 8,500 students.

Other institutions of higher education in Orange County are California State College, Fullerton; Chapman College; Western State University College of Law, Anaheim; and Pepperdine University College of Law, Santa Ana.

Community Facilities

There are three hospitals in the vicinity of the District. Mission Community Hospital is a 212-bed facility offering patient care, 24-hour emergency

room, a separate 35-bed intensive care unit, and a recuperative care unit. South Coast Community Hospital is located on the Coast Highway in South Laguna. It is served by a staff of about 180 physicians and surgeons. It has been expanded from a 75-bed facility to a present licensed capacity of 263 beds. In January, 1974, the 160-bed Saddleback Community Hospital was opened in Laguna Hills adjacent to the Laguna Hills center.

Two local daily newspapers serve the area, the *Santa Ana Register* and the *South Coast Daily Pilot*. The *Los Angeles Times* and *Herald Examiner* are also circulated in the area.

78 01318

U.C. BERKELEY LIBRARIES



C123309523

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

SEP 06 2024

UNIVERSITY OF CALIFORNIA

